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Creating Workforce Development Systems That Work:

An Evaluation of the Initial One-Stop Implementation Experience

Final Report
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E. SUMMARY AND CONCLUSIONS

INTRODUCTION

Across all nine states and fourteen local areas, the transformation of workforce development services from separate and discrete categorical programs into coherent seamless systems is occurring through an evolutionary process, rather than overnight. This incremental approach is not surprising, given the distinct identities, histories, and workplace cultures of the different workforce development agencies that have come together to form One-Stop partnerships.

During the early stages of One-Stop implementation, individual One-Stop partner agencies have become familiar with the programs and services offered by other local agencies and have made clear progress in building collaborative working relationships across all local One-Stop partners. Early One-Stop implementation efforts in most study sites have emphasized partnership formation, the development of shared physical facilities and shared decision-making procedures, and the development of integrated front-end customer services, such as intake, orientation, and preliminary eligibility assessment.

Although most states and local sites are still relatively early in the process of consolidating services for job-seeker and employer customers, the initial stages have already led to significant changes in the services available to employer and job-seeker customers. During these early stages of the One-Stop initiative, the greatest impacts on One-Stop customers in most sites have occurred as a result of the following:

(1) A new customer-oriented service philosophy that emphasizes meeting customer needs rather than following bureaucratic regulations.

(2) The development and refinement of self-access information tools for use by employers and individuals.

(3) A new emphasis on making services attractive to employers and coordinating employer services across programs and funding streams.

The importance of these changes should not be underestimated. Both employer and job-seeker customers who participated in focus groups as part of this evaluation were enthusiastic in describing One-Stop career centers as improvements over the previous uncoordinated system.

The federal One-Stop initiative identified four customer-oriented goals that should guide the development of local One-Stop systems: (1) universal access, (2) customer choice, (3) seamless services, and (4) accountability driven by attention to customer outcomes, including customer satisfaction. In this chapter we describe the progress that has been made in furthering these four overall goals and suggest how federal, state, and local policy makers could help solidify the progress already made and prepare for additional system improvements.

UNIVERSAL ACCESS

As a result of the changing nature of employer hiring patterns and rapidly changing skills requirements in the global economy, it is expected that more and more Americans, including currently employed workers, will need help periodically to enhance their skills or transition to new jobs. Employers will also have to adjust to rapidly changing market conditions. One of the goals of the One-Stop career center system initiative is to address these trends by making cost-effective services available to individual One-Stop customers and employers based on their individual needs, rather than their eligibility for specific categorical programs.

To realize the goal of universal access to workforce development services for individual and employer customers, most One-Stop sites included in the evaluation have designed a three-tier "pyramid" of services. The first tier of services consists of self-access information services that can be provided at a reasonable cost to a large number of customers. The second tier of services includes staff-assisted individual or group services, such as brief workshops or individual counseling sessions. The third tier of services includes the most intensive services such as education, occupational skills training, and supportive services. Because of the high cost of these services, access to the third tier of services is usually limited to customers who qualify for assistance from specific categorical funding streams.

The case study sites have made services accessible to all customers by offering first-tier services and selected second-tier services to a broad customer base. This has been a challenging task, because most of the categorical workforce development funding streams are targeted to segmented "high risk" groups based on specific eligibility criteria such as low income, limited education, skills gaps, or other identified barriers to employment. As a result, Wagner-Peyser funds—which are not targeted to a specific segment—have played an important role in many sites as the "glue" that holds the rest of the One-Stop system together and makes it possible to offer One-Stop services to the general public. Specific approaches used by the case study sites to realize the One-Stop goal of universal access are described below.

Providing Universal Core Services

One of the most significant accomplishments in meeting the goal of universal access has been the development of high-quality “self-access services” available to all One-Stop individual and employer customers in most evaluation sites. These services usually include automated information systems that offer user-friendly information about labor market conditions, careers, specific employers and job opportunities, and education and training resources. Most states have played an instrumental role in developing automated information products and developing the information infrastructure to deliver these services to One-Stop customers. In addition, many local sites have developed impressive customer resource rooms stocked with a variety of relevant print and multi-media information resources as well as equipment such as telephones, word processing equipment, and fax machines to support customer job search. Some local sites have also developed additional self-access products that allow customers to assess their skills and interests, learn about effective job search methods, or receive automated instruction in basic or occupational skills.

Self-access services expand and enrich the services available to the general public and have been well-received by a number of One-Stop customers, including individuals who have not previously used public employment services. However, many sites need to take additional steps to ensure that these services are useful to One-Stop customers. These steps include (1) making potential customers aware of the available services and convincing them to try them, (2) making sure that customers know how to make full use of the available information tools, (3) improving the capacity of One-Stop staff to assist customers in using these automated information tools to address particular service needs, and (4) continuing to improve these products so that they offer up-to-date information relevant to customers’ information needs.

Making It Possible for a Wide Variety of Customers to Access One-Stop Services

Additional approaches to making One-Stop services accessible to a wide variety of customers include extending the hours of center operation and making automated information services available to customers from a number of different locations.

A number of case study sites have extended the hours of center operations to accommodate employed workers and others who might find it difficult to visit One-Stop centers during normal business hours. Although some sites have found it difficult to establish staggered work schedules for center staff or develop procedures to ensure facility and customer security during extended operating hours, other sites have been able to establish extended hours of operation, including evening and/or weekend hours.

In addition, most case study sites make automated information services accessible from a number of different community locations, including One-Stop centers, libraries, schools, and shopping malls, as well as through remote access from home or business computers equipped with modems. The developments of user-friendly automated information products and remote-access technologies have made One-Stop services accessible to large groups of potential customers who have not previously used public workforce development services. The only potential drawback to remote-access services—as compared to providing these services in a staffed One-Stop resource room—is that customers cannot easily receive staff assistance if they have difficulty learning how to use the information products.

Providing Enhanced Services to a Broad or Universal Customer Base

In most of the local One-Stop systems we visited, staff and customers alike emphasized that personal contacts with One-Stop staff and guided and group services were also extremely important in meeting the needs of many customers. However, in the absence of federal legislation providing consolidated funding for such services (e.g., through state workforce development block grants), most states and local sites have proceeded cautiously in creating opportunities for the general public to receive staffed or guided One-Stop services beyond the traditional services provided under UI or Job Services and receiving referrals to jobs posted by local employers.

Some sites have led the way by making a diverse menu of guided and group services available to all One-Stop customers. Other sites, however, have made staffed services available to the general public only on a “space available” basis. Fee-for-service arrangements are also under discussion in most sites as a way to make enhanced services—such as resume development, career counseling, or job search training—available to the general public. However, most sites have not yet tested the market demand among individual job-seekers for fee-based enhanced services.

More intensive education and training services are still largely provided only to customers of categorical programs targeted to particular groups. Only a few sites have developed general “skills development” units, whose staff are available to help all individual One-Stop customers explore financial aid opportunities and apply for education and training programs.

CUSTOMER CHOICE

Another One-Stop goal is to give customers meaningful choices about the services they receive. This is in keeping with the philosophy of providing flexible services that are responsive to the individual needs of each customer rather than being determined by the categorical program for which the customer happens to qualify. Different case study sites have emphasized different aspects of customer choice in their One-Stop system designs.

Providing High-Quality Information to Guide Customer Choice

The case study sites have all expanded customer choice by providing high-quality user-friendly information about local labor markets, careers, employers, available jobs, and education and training opportunities. Generally, these information systems have not been developed as separate free-standing databases. Rather, the data are integrated so that customers can move back and forth across topic areas to identify career interests, review local employment opportunities in the selected career areas, identify the skills needed for employment in the targeted occupations, and identify alternative providers of needed skills training.

As noted previously, to realize the full potential of One-Stop information services to support informed customer choice, potential users of One-Stop information services have to be made aware of the existence of these services and have to be informed about how to use these tools effectively. In recognition of this fact, a number of the case study sites have developed plans to provide training both to One-Stop customers and to staff on how to use automated information systems and how to use labor market information to make individual career decisions and guide business development.

Offering Customers Choices among Different Service Modes and Workshops

Most One-Stop systems offer the general public a range of service options, including both self-access services and staffed services. Individual customers may be able to choose, for example, whether they want to learn about effective job search methods by completing an automated job-search tutorial available over the Internet or in a career center resource room; reading a book or pamphlet on job search techniques from the One-Stop center's resource room; attending a two-hour job-search "brush-up" class or a four-hour class on how to interview for a job, oriented to new job-seekers; or participating in a peer job-club at which job seekers share leads and give each other support.

Within a given One-Stop center, customers are generally given a number of choices among services, including self-access information services, group workshops, individual counseling sessions, and more intensive education and training supports. Information about the full range of available services is usually provided through an initial orientation. In most One-Stop centers, customers can move freely back and forth across service modes for which they qualify and can use several different service modes simultaneously.

Most of the case study sites also increased customer choice by offering a wide range of brief employment preparation workshops, rather than a single consolidated multi-week "employment preparation" course. Several sites offered a large number of different workshops, covering different aspects of career decision making, resume development, job search techniques, and skills needed for success on the job or job advancement. Customers were able to choose whether to attend individual sessions or entire workshop sequences.

Offering Choices Among Career Center Locations or Sponsoring Agencies

Some case study sites decided to promote customer choice by encouraging different One-Stop centers within the same geographic service area to specialize in different services. In some cases, these centers were also operated by different service providers. It was not clear, however, whether most One-Stop customers were aware that they had a choice among centers, or, if aware of such a choice, whether they were willing to travel to a more distant career center to take advantage of additional services more appropriate to their individual needs.

INTEGRATED SERVICES

The integration goals of the One-Stop career center initiative are twofold: to make workforce development services seamless from the customer perspective and to reduce duplication of effort among the multiple providers of publicly funded workforce development services. Initial efforts to increase service integration often caused organizational strains within and between One-Stop partner agencies, because they required substantial changes to the organizational cultures of participating agencies as well as transformations of the job tasks performed by individual staff. To avoid organizational trauma, many local One-Stop systems limited their initial service integration efforts to a few functions for which there were clear mutual benefits from integration among the partnering agencies.

During the initial stages of One-Stop implementation, all partners have benefited simply as a result of having a clearer understanding of the goals, services, and operational procedures of the different categorical programs operated by local workforce development partners. This initial improved staff awareness and understanding of the entire One-Stop “system” has usually led to improved coordination of customer referrals and increased system-level coordination or consolidation of administrative functions and service delivery arrangements. Different approaches to workforce development system integration pursued by the One-Stop sites included in this study are briefly summarized below.

Coordinating Information, Referral, and Intake Services

In all sites, the One-Stop initiative has increased the familiarity of One-Stop staff with the resources available from local workforce development partners and has increased the communication among local partners about their shared goals and customers. Staff, in turn, have been able to help “de-mystify” the different categorical programs for One-Stop customers and help customers contact service providers that have services appropriate to their needs.

As a result of formal One-Stop partnerships, a number of states and local agencies have consolidated their front-end services of outreach, orientation, and intake. Through a consolidated initial intake process, customers in these sites receive preliminary eligibility screening for a wide range of employment and educational programs and are informed about a range of services for which they may qualify. The development of fully integrated front-end services, however, is an ambitious undertaking that is difficult to complete in the context of categorical block grants. One-Stop partners need to continue to prepare reports required by their particular funding streams on eligibility criteria, customers, services provided, outcomes, and expenditures—as defined by each categorical program.

Integrating Employer Services

All case study sites identified the task of redesigning employer services as essential to the ultimate success of their One-Stop initiatives. During the first year of One-Stop implementation, One-Stop partners in most sites involved employers, business associations, and economic development agencies in efforts to analyze employers' needs and preferences. Improved employer services under development in most sites included core services—such as improved job and resume listing services and software to match applicants and jobs—and enhanced services—such as services to assess and train incumbent workers, assist employers with large-scale hiring efforts, and support firm development by providing management assistance and training. To simplify employer access to a unified menu of services, a number of sites introduced integrated systems of employer "account representatives" to coordinate and broker services for individual employer customers. However, designing and implementing improved employer services was still largely a "work in progress" at the end of the study period.

Integrating Job-Seeker Services

Local sites varied substantially in the extent to which they have attempted to consolidate services to One-Stop job-seeker and other individual customers—beyond the first tier of self-access services available to all customers—and in the approaches they developed to further this goal. As described elsewhere in this report, efforts to integrate job-seeker services have ranged from coordination of services provided by separate staff from each categorical program to integrated staffing arrangements for delivering selected service functions such as assessment, career exploration, or job search assistance.

Whereas most local One-Stop partners are in agreement, at least in theory, about the benefits of developing integrated employer services, there is less agreement (both within and across sites) about whether further integration of job-seeker services will benefit customers. In a number of sites, policy makers guiding the One-Stop transformation appear to be poised at a critical decision point: whether to proceed with further integration of services for all customers or whether to continue to operate separate but coordinated categorical workforce development programs. Key concerns include (1) how to ensure that One-Stop service offerings remain responsive to the widely varying needs of One-Stop customers from various subgroups (e.g., dislocated workers, at-risk youth, high school drop-outs, older workers, veterans, individuals with disabilities, and individuals making the transition from welfare to work); (2) how to prepare local partnering agencies and service staff to take on new responsibilities in an integrated One-Stop career center system; and (3) how to prioritize the needs of different customers at a time when overall public investments in social programs are shrinking and overall customer needs remain high.

One-Stop partners in a number of the study sites have decided to continue efforts to increase service integration because they believe this approach will provide higher quality services to local employers and job-seekers, which, in turn, will better support local economic growth and development. In the absence of a clear federal legislative mandate for the development of integrated state workforce development systems, however, it will be difficult for all states to make the commitment to pursue the full integration of categorical workforce development systems.

Making Coordinated Investments in One-Stop Infrastructure and Supportive Systems

One-Stop integration efforts have extended to developing an integrated information infrastructure and coordinating the overall One-Stop planning and implementation process. Federal One-Stop implementation grants have been an important catalyst for the creation of state and local interagency One-Stop policy groups and work teams to undertake coordinated efforts to develop appropriate One-Stop physical facilities, finance One-Stop services, market One-Stop systems to employer and job-seeker customers, develop shared information systems, and implement staff development efforts. For the most part, these interagency policy and task groups have functioned very smoothly during the implementation grant period.

However states that are about to “graduate” from the three-year One-Stop implementation process may find it difficult to continue integrated One-Stop system building without the structure imposed by an external goal-setting process, a formal implementation schedule, and funding that overcomes institutional and financial barriers to system integration. Prior to the end of the formal implementation grant period, states will need to give serious attention to transforming the project-based nature of the One-Stop initiative into permanent organizational and program changes, if they want to ensure that the integrated One-Stop systems they have created will survive the end of the federal implementation grant period.

SYSTEM ACCOUNTABILITY DRIVEN BY CUSTOMER OUTCOMES AND CONTINUOUS IMPROVEMENT EFFORTS

The final overall goal established as part of the One-Stop initiative is to create a workforce development system that is “outcome-driven,” in the sense that it measures customer outcomes, including customer satisfaction, and uses information about customer outcomes to undertake continuous improvement efforts.

During the study period, agencies and programs participating in state and local One-Stop partnerships continued to be subject to the reporting requirements and performance expectations established for each of their individual categorical funding streams. The lack of consistency in these program-specific reporting and performance requirements has made it difficult to design integrated systems to measure outcomes across all One-Stop partners or to implement new One-Stop performance measurement systems.

Most study states made significant progress during the initial stages of One-Stop implementation in planning an overall menu of One-Stop performance measures for future implementation. They also began collecting information on customer satisfaction and other measures that could be used to assess One-Stop system-wide performance over time. At the local level, some One-Stop centers began to use information on customer outcomes and satisfaction to support system-wide improvement efforts, while others were waiting for additional leadership and guidance from the state or federal level. There is, as yet, no consensus about whether One-Stop performance measures should supplement, subsume, or replace the performance measures for individual categorical workforce development programs.

FACTORS INFLUENCING ONE-STOP SYSTEM IMPLEMENTATION AND ACCOMPLISHMENTS

A number of factors have influenced the early One-Stop implementation experiences of the case study sites. Factors that appear to have facilitated the development of effective One-Stop partnerships and the achievement of system transformation goals include the following:

- A strong history of collaboration among local workforce development programs—such as JTPA and ES/UI or JTPA and welfare-to-work systems—prior to the One-Stop initiative.

- A state One-Stop design that provides clear guidelines for local One-Stop systems but also allows local One-Stop partners substantial discretion to tailor One-Stop systems to local needs.
- Continued active involvement over time by a broad range of state and local planning partners in ongoing planning and oversight of the evolving One-Stop system.
- The involvement of direct service staff from participating agencies in the planning of shared facilities and consolidated services over an extended planning period (e.g. 6 months to a year) prior to opening the One-Stop center.
- Formal planning linkages between the One-Stop initiative and school-to-work and welfare-to-work systems at both the state and local level.
- An attractive, accessible physical facility that supports both a flexible customer flow and frequent interaction among staff of partnering agencies.
- The ability of One-Stop staff from different agencies to exchange relevant information and communicate via electronic mail on a regular basis.
- Careful attention to the capacity building needs of One-Stop managers and local staff to help prepare them to deliver integrated customer services.

The development of integrated One-Stop systems is also occurring in the face of significant barriers in a number of sites. These barriers include the following:

- The absence of a federal legislative mandate for the development of integrated state workforce development systems. The fact that workforce development block grants were not approved by the 104th Congress removed a key source of federal policy support for the integration of One-Stop services by states. It also removed an expected source of financing for integrated services.
- The resulting continuation of federal categorical funding streams, each with its own mandated targeted population, eligibility criteria, reporting requirements, and performance standards.
- Concerns about how to ensure that individuals from groups with special needs will have access to the services they need. Each of the categorical programs has its dedicated constituency concerned about the needs of the targeted population group. For example, key constituencies are concerned about how veterans, individuals with disabilities, at-risk youth, welfare recipients, non-English speakers, and

other special groups will fare in a system that is not designed around special programs for each of these groups.

- Concerns about the job security of the workers in the various bureaucracies currently responsible for administering each of the categorical programs.
- Declining overall public investments in workforce development programs and services. A number of respondents indicated their concern that they were being asked to "do more with less." If overall resources continue to decline, even an integrated workforce development system will find it difficult to deliver high quality services to a diverse customer base.

RECOMMENDATIONS

The following actions by federal, state, and local policymakers would be particularly helpful in supporting efforts by local workforce development systems to further the One-Stop goals of universality, customer choice, integration, and accountability for customer outcomes.

1. Develop a number of different approaches that could be used by local One-Stop systems to finance the delivery of integrated One-Stop services.
    - Support the development of alternative cost-allocation practices.
    - Work to increase the flexibility of program regulations that require certain One-Stop staff to be "dedicated" to the service of only a single customer group, such as individuals with disabilities or veterans.
    - Identify additional funding sources to support the development and delivery of first tier (self-access) and second tier (guided or group) services to a broad range of One-Stop customers.
2. Work toward improved collaboration among workforce development agencies and programs at the federal and state level, including programs funded by the U.S. Department of Labor, the U.S. Department of Education, and the U.S. Department of Health and Human Services.
    - Begin to develop consensus about standardized workforce development reporting and performance measures on an interagency basis at the federal level.
    - Encourage collaborative linkages between welfare-to-work, school-to-work, and One-Stop implementation efforts at all levels.

- Address legislative and regulatory barriers to integrating service delivery across all workforce development programs, including particularly vocational rehabilitation and veterans employment services.

3. Support the development of interagency collaborative service approaches to meet the needs of individuals with "special needs," such as welfare recipients, individuals with disabilities, and veterans.
4. Plan for on-going investments to update and maintain over time the automated self-service information products and the information infrastructure that supports them.

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